

STATEMENT OF BASIS (AI No. 1969)

for draft Louisiana Pollutant Discharge Elimination System permit No. LA0075779 to discharge to waters of the State of Louisiana.

THE APPLICANT IS: Dolphin Services, LLC
P. O. Box DSI
Houma, LA 70361

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services
Post Office Box 4313
Baton Rouge, Louisiana 70821-4313

PREPARED BY: Ronda Burch

DATE PREPARED: June 19, 2009

1. PERMIT STATUS**A. Reason for Permit Action:**

Permit reissuance of a Louisiana Pollutant Discharge Elimination System (LPDES) permit for a 5-year term

B. NPDES permit - NPDES permit effective date: N/A
NPDES permit expiration date: N/A**C. LPDES permit -** LPDES permit effective date: February 1, 2004
LPDES permit expiration date: January 31, 2009**D. Date Application Received:** August 1, 2008**2. FACILITY INFORMATION****A. FACILITY TYPE/ACTIVITY -** offshore equipment manufacturing and repair

Dolphin Services is an existing facility that fabricates and repairs offshore equipment. The facility discharges sanitary wastewater, hydrostatic test wastewater, and stormwater. Washwater discharges have been eliminated. The facility is no longer washing equipment.

B. FEE RATE

1. Fee Rating Facility Type: Minor
2. Complexity Type: II
3. Wastewater Type: III
4. SIC codes: 3533 and 3441

C. LOCATION: 400 Thompson Road, Houma, Terrebonne Parish
Latitude 29° 32' 38", Longitude 90° 41' 24"**3. OUTFALL INFORMATION****Outfall 001**

Discharge Type: sanitary wastewater from the shop area (internal to Outfall 005)
Treatment: package treatment plant with chlorination
Location: at the point of discharge from the package treatment plant, next to the fabrication shop, prior to mixing with the waters of Outfall 005
Flow: 1,400 GPD
Discharge Route: via Outfall 005 to Munson Slip, thence into the Houma Navigation Canal

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Outfall 002

Discharge Type: sanitary wastewater from the office area (internal to Outfall 003)
Treatment: package treatment plant with chlorination
Location: at the point of discharge from the package treatment plant, near the mechanic shop at the southeast corner of the facility, prior to mixing with the waters of Outfall 003
Flow: 800 GPD
Discharge Route: via Outfall 003 to Munson Slip, thence into the Houma Navigation Canal

Outfall 003

Discharge Type: stormwater, previously monitored sanitary wastewater (from Outfall 002), and hydrostatic test wastewater (from Outfall 009)
Treatment: none
Location: at the point of discharge, next to the mechanic shop, prior to mixing with other waters
Flow: 16,600 GPD
Discharge Route: Munson Slip, thence into the Houma Navigation Canal

Outfall 004

Discharge Type: stormwater and hydrostatic test wastewater (from Outfall 009)
Treatment: none
Location: at the point of discharge, from the northeast corner of the facility, prior to mixing with other waters
Flow: 32,300 GPD
Discharge Route: Munson Slip, thence into the Houma Navigation Canal

Outfall 005

Discharge Type: stormwater, previously monitored sanitary wastewater (from Outfall 001), and hydrostatic test wastewater (from Outfall 009)
Treatment: none
Location: at the point of discharge, in the center of the yard next to the fabrication shop, prior to mixing with other waters
Flow: 33,100 GPD
Discharge Route: Munson Slip, thence into the Houma Navigation Canal

Outfall 006

Discharge Type: sanitary wastewater from the guard shack trailer
Treatment: package treatment plant with chlorination
Location: at the point of discharge from the sewage treatment plant, next to the guard shack trailer, prior to mixing with other waters
Flow: 150 GPD
Discharge Route: parish drainage, thence into the Houma Navigation Canal

Outfall 008

Discharge Type: stormwater, previously monitored sanitary wastewater (from Internal Outfall 108), and hydrostatic test wastewater (from Outfall 009)
Treatment: none
Location: at the point of discharge, from the northeast corner of the property at the bulkhead, prior to mixing with other waters
Flow: 288,300 GPD
Discharge Route: Munson Slip, thence into the Houma Navigation Canal

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Outfall 108

Discharge Type: sanitary wastewater from the paint department (internal to Outfall 008)
Treatment: package treatment plant with chlorination
Location: at the point of discharge from the package treatment plant, on the north side of the facility near the paint department, prior to mixing with the waters of Outfall 008
Flow: 2,900 GPD
Discharge Route: via Outfall 008 to Munson Slip, thence into the Houma Navigation Canal

Outfall 009

Discharge Type: hydrostatic test wastewater (facility-wide)
Treatment: none
Location: at the point of discharge, from the tested vessel, prior to mixing with the waters of Outfalls 003, 004, 005, and 008
Flow: variable
Discharge Route: via Outfalls 003, 004, 005, and 008 to Munson Slip, thence into the Houma Navigation Canal

4. RECEIVING WATERS

STREAM - Munson Slip via local drainage, thence into the Houma Navigation Canal (Outfalls 001, 002, 003, 004, 005, 008, 108, and 009) and parish drainage, thence into the Houma Navigation Canal (Outfall 006)

BASIN AND SEGMENT - Terrebonne Basin, Segment 120509

DESIGNATED USES -

- a. primary contact recreation
- b. secondary contact recreation
- c. propagation of fish and wildlife
- d. drinking water supply (Houma Navigation Canal – From Houma to Bayou Pelton)*

* Per LAC 33:IX.1111.A, "Surface waters designated as drinking water supplies are specifically so designated in LAC 33:IX.1123, Table 3; this designation does not apply to their tributaries or distributaries unless so specified."

5. TMDL STATUS

Subsegment 120509, Houma Navigation Canal - Houma to Bayou Pelton, is not listed on LDEQ's Final 2006 303(d) List as impaired, and to date no TMDL's have been established. A reopener clause will be established in the permit to allow for the requirement of more stringent effluent limitations and requirements as imposed by any future TMDLs.

6. PROPOSED EFFLUENT LIMITS

BASIS - See Rationale below

Changes from Previous Permit:

1. Outfalls 104, 105, and 007 have been deleted. The sewage treatment plant for the pipe shop (Outfall 104) was converted to a lift station and tied into Internal Outfall 108. The sewage treatment plant for the warehouse (Outfall 105) was never installed. The washrack (Outfall 007) is no longer in service.
2. Discharge location descriptions have been updated to reflect the descriptions in the renewal application.

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3. Class II sanitary limits have been applied to all sanitary discharges. In accordance with new LDEQ guidance, limits shall be applied based on the total sanitary flow from the facility. Flows reported on DMRs and in the application show a total sanitary discharge >5000 GPD.
4. Due to the facility's recent compliance history, monitoring frequency on all sanitary discharges has been increased to quarterly.
5. The hydrostatic test wastewater outfall has been assigned an outfall number (009). The outfall will remain a floating outfall monitored at the point of discharge from the tested vessel.
6. Outfalls 003, 004, 005, and 008 no longer contain washwater discharges. Limits have been adjusted accordingly.
7. The previous LPDES permit required sampling of hydrostatic test wastewater quarterly for new pipe, vessels, or equipment and once per discharge for pipe, vessels, or equipment previously in service. This monitoring frequency has been changed to once per discharge event for all pipe, vessels, and/or equipment.

7. COMPLIANCE HISTORY/COMMENTS

- A. OEC - A review of the files, for the period of February 1, 2007 through January 31, 2009, revealed the following compliance history:
- a. January 30, 2009 – Settlement agreement between Dolphin Services, Inc. and the Department for Compliance Order WE-CN-03-0735 and Amended Compliance Order WE-CN-03-0735A.
 - b. September 17, 2008 – Amended compliance order and notice of potential penalty issued (WE-CN-03-0735A).
 - c. April 24, 2008 – Compliance order WE-CN-03-0735 issued to address permit violations and unauthorized discharges.
- Please note, the applicant owns and/or operates a similar facility (Gulf Island Fabrication, Inc., AI 9789, LA0091961). This facility operated by the applicant is under formal enforcement action by the Department. The Department has determined that the applicant's history of environmental violations is adequately addressed by the effluent limitations and permit conditions contained within this draft LPDES permit.
- B. DMR Review/Excursions - A DMR review for the period of January 1, 2007 through December 31, 2008, revealed the following excursions:

Date	Outfall Number	Parameter	Permit Limitation	Reported Value
Jan – March 2007	105	BOD ₅ , Daily Max TSS, Daily Max Fecal Coliform, Daily Max	45 mg/l 45 mg/l 400 col/100 ml	No DMR on file
Jan – March 2007	108	BOD ₅ , Daily Max TSS, Daily Max Fecal Coliform, Daily Max	45 mg/l 45 mg/l 400 col/100 ml	No DMR on file
Jan – March 2008	105	BOD ₅ , Daily Max TSS, Daily Max Fecal Coliform, Daily Max	45 mg/l 45 mg/l 400 col/100 ml	No DMR on file
April-June 2008	001	pH, Monthly Avg	6.0 s.u. (min)	5.1 s.u.
July-Sept 2008	001	BOD ₅ , Weekly Avg TSS, Weekly Avg Fecal Coliform, Weekly Avg	45 mg/l 45 mg/l 400 col/100 ml	No samples collected due to Hurricanes Gustav and Ike
July-Sept 2008	002	BOD ₅ , Weekly Avg TSS, Weekly Avg Fecal Coliform, Weekly Avg	45 mg/l 45 mg/l 400 col/100 ml	No samples collected due to Hurricanes Gustav and Ike

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July-Sept 2008	003	Oil & Grease, Daily Max pH, Monthly Avg pH, Daily Max COD, Daily Max Soaps and/or detergents, Monthly Avg	15 mg/l 6.0 min s.u. 9.0 max s.u. 125 mg/l Report	No samples collected due to Hurricanes Gustav and Ike
July-Sept 2008	004	Oil & Grease, Daily Max pH, Monthly Avg pH, Daily Max COD, Daily Max Soaps and/or detergents, Monthly Avg	15 mg/l 6.0 min s.u. 9.0 max s.u. 125 mg/l Report	No samples collected due to Hurricanes Gustav and Ike
July-Sept 2008	104	BOD ₅ , Weekly Avg TSS, Weekly Avg Fecal Coliform, Weekly Avg	45 mg/l 45 mg/l 400 col/100 ml	No samples collected due to Hurricanes Gustav and Ike
July-Sept 2008	005	Oil & Grease, Daily Max pH, Monthly Avg pH, Daily Max COD, Daily Max Soaps and/or detergents, Monthly Avg	15 mg/l 6.0 min s.u. 9.0 max s.u. 125 mg/l Report	No samples collected due to Hurricanes Gustav and Ike
July-Sept 2008	105	BOD ₅ , Daily Max TSS, Daily Max Fecal Coliform, Daily Max	45 mg/l 45 mg/l 400 col/100 ml	No DMR on file
July-Sept 2008	006	BOD ₅ , Weekly Avg TSS, Weekly Avg Fecal Coliform, Weekly Avg	45 mg/l 45 mg/l 400 col/100 ml	No samples collected due to Hurricanes Gustav and Ike
July-Sept 2008	008	Oil & Grease, Daily Max pH, Monthly Avg pH, Daily Max COD, Daily Max Soaps and/or detergents, Monthly Avg	15 mg/l 6.0 min s.u. 9.0 max s.u. 125 mg/l Report	No samples collected due to Hurricanes Gustav and Ike

8. EXISTING EFFLUENT LIMITS

Outfall 001 - sanitary wastewater from the shop area (internal to outfall 005)

Outfall 002 - sanitary wastewater from the office (internal to outfall 003)

Outfall 104 - sanitary wastewater from the paint shop

Outfall 105 - sanitary wastewater from the warehouse

Outfall 006 - sanitary wastewater from the guard shack trailer

Outfall 108 - sanitary wastewater from the future paint department

Pollutant	Monthly Avg (mg/l)	Daily Max (mg/l)	Reporting Frequency
Flow	---	Report	quarterly
BOD ₅	---	45	quarterly
TSS	---	45	quarterly
Fecal coliform (colonies/100 ml)	---	400	quarterly

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Outfall 003 - uncontaminated stormwater runoff, washwater, and previously monitored effluent
Outfall 004 - uncontaminated stormwater runoff, washwater, and previously monitored effluent
Outfall 005 - uncontaminated stormwater runoff, washwater, and previously monitored effluent
Outfall 008 - uncontaminated stormwater runoff, washwater, and previously monitored effluent

Pollutant	Monthly Avg	Daily Max	Reporting Frequency
Flow	Report	Report	quarterly
Oil and Grease	---	15	quarterly
pH	6.0 s.u. (min)	9.0 s.u. (max)	quarterly
COD	---	125	quarterly
Soaps and Detergents	---	Report	quarterly

Outfall 007 - equipment washwater and hydrostatic test wastewater

Pollutant	Monthly Avg	Daily Max	Reporting Frequency
Flow	Report	Report	quarterly
Oil and Grease	---	15	quarterly
TSS	---	45	quarterly
COD	---	125	quarterly
Soaps and Detergents	---	Report	quarterly

Hydrostatic test wastewater (no outfall number assigned)

Pollutant	Monthly Avg	Daily Max	Reporting Frequency
Flow	---	Report	New vessel = quarterly Old = 1/discharge
TSS	---	90	New vessel = quarterly Old = 1/discharge
Oil and Grease	---	15	New vessel = quarterly Old = 1/discharge
TOC	---	50	New vessel = quarterly Old = 1/discharge
Benzene	---	50 µg	New vessel = quarterly Old = 1/discharge
Total BTEX	---	250 µg	New vessel = quarterly Old = 1/discharge
Total lead	---	50 µg	New vessel = quarterly Old = 1/discharge
pH	6.0 s.u. (min)	9.0 s.u. (max)	New vessel = quarterly Old = 1/discharge

9. ENDANGERED SPECIES

The receiving waterbody, Subsegment 120509 of the Terrebonne Basin is not listed in Section II.2 of the Implementation Strategy as requiring consultation with the U.S. Fish and Wildlife Service (FWS). This strategy was submitted with a letter dated November 17, 2008 from Rieck (FWS) to Nolan (LDEQ). Therefore, in accordance with the Memorandum of Understanding between the LDEQ and the FWS, no further informal (Section 7, Endangered Species Act) consultation is required. The effluent limitations established in the permit ensure protection of aquatic life and maintenance of the receiving water as

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aquatic habitat. Therefore, the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species or the critical habitat.

10. HISTORIC SITES

The discharge is from an existing facility location, which does not include an expansion on undisturbed soils. Therefore, there should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the Louisiana State Historic Preservation Officer is required.

11. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Department of Environmental Quality has made a tentative determination to reissue a permit for the discharge described in the application.

12. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Public notice published in:

Local newspaper of general circulation

Office of Environmental Services Public Notice Mailing List

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Rationale for Dolphin Services, LLC

Outfall 001 - sanitary wastewater from the shop area (internal to Outfall 005) (estimated flow is 1,400 GPD)
Outfall 002 - sanitary wastewater from the office area (internal to Outfall 003) (estimated flow is 800 gpd)
Outfall 108 - sanitary wastewater from the paint department (internal to Outfall 008) (estimated flow is 2,900 gpd)

Pollutant	Limitation		Reference
	Monthly Avg.	Weekly Avg.	
	mg/L		
Flow	---	Report	
BOD ₅	30	45	Similar discharges* (BPJ), LAG540000
TSS	30	45	Similar discharges* (BPJ), LAG540000
Fecal Coliform (colonies/100ml)	200	400 (Daily Max)	Similar discharges* (BPJ), LAG540000

Treatment: Package treatment plant with chlorination

Monitoring Frequency: Quarterly for all parameters, at the point of discharge from the package treatment plant, prior to mixing with other waters.

Limits Justification: Limits and monitoring frequencies are based on current guidance for similar discharges from other industrial facilities and the Class II Sanitary General Permit, LAG540000.

* Existing permits for similar outfalls

BPJ Best Professional Judgement

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Rationale for Dolphin Services, LLC

Outfall 006 - sanitary wastewater from the guard shack trailer (estimated flow is 150 GPD)

Pollutant	Limitation		Reference
	Monthly Avg.	Weekly Avg.	
	mg/L		
Flow	---	Report	
BOD ₅	30	45	Similar discharges* (BPJ), LAG540000
TSS	30	45	Similar discharges* (BPJ), LAG540000
Fecal Coliform (colonies/100ml)	200	400 (Daily Max)	Similar discharges* (BPJ), LAG540000
pH	6.0 s.u. (min)	9.0 s.u. (max)	Similar discharges* (BPJ), LAG540000

Treatment: Package treatment plant with chlorination

Monitoring Frequency: Quarterly for all parameters, at the point of discharge from the package treatment plant, prior to mixing with other waters.

Limits Justification: Limits and monitoring frequencies are based on current guidance for similar discharges from other industrial facilities and the Class II Sanitary General Permit, LAG540000.

* Existing permits for similar outfalls

BPJ Best Professional Judgement
s.u. Standard Units

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Rationale for Dolphin Services, LLC

- Outfall 003 - stormwater, previously monitored sanitary wastewater (from Outfall 002), and hydrostatic test wastewater (from Outfall 009) (estimated flow is 16,600 GPD)
 Outfall 004 - stormwater and hydrostatic test wastewater (from Outfall 009) (estimated flow is 32,300 GPD)
 Outfall 005 - stormwater, previously monitored sanitary wastewater (from Outfall 001), and hydrostatic test (from Outfall 009) (estimated flow is 33,100 GPD)
 Outfall 008 - stormwater, previously monitored sanitary wastewater (from internal Outfall 108), and hydrostatic test wastewater (from Outfall 009) (estimated flow is 288,300 GPD)

Pollutant	Limitation		Reference
	Monthly Avg.	Daily Max.	
	mg/L		
Flow	---	Report	See below
TOC	---	50	See below
Oil & Grease	---	15	See below
pH	6.0 s.u. (min)	9.0 s.u. (max)	See below

Treatment: none

Monitoring Frequency: Quarterly for all parameters.

Limits Justification: These limits are based on LDEQ's guidance on stormwater, letter dated 6/17/87, from J. Dale Givens (LDEQ) to Myron Knudson (EPA Region 6).

s.u. Standard Units

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Rationale for Dolphin Services, LLC

Outfall 009 – hydrostatic test wastewater (facility-wide) (estimated flow is variable)

Pollutant	Limitation		Reference
	Monthly Avg.	Weekly Avg.	
	mg/L		
Flow	---	Report	See below
TSS	---	90	See below
Oil & Grease	---	15	See below
TOC	---	50	See below
Benzene	---	50 $\mu\text{g/l}$	See below
Total BTEX	---	250 $\mu\text{g/l}$	See below
Total Lead	---	50 $\mu\text{g/l}$	See below
pH	6.0 s.u. (min)	9.0 s.u. (max)	See below

Flow, TSS, Oil and Grease, and pH shall be measured on discharges from all new and existing pipelines, flowlines, vessels, or tanks. In addition, Total Organic Carbon (TOC) shall be measured on discharges from existing pipelines, flowlines, vessels, or tanks which have previously been in service; (i.e., those which are not new). Benzene, Total BTEX, and Total Lead shall be measured on discharges from existing pipelines, flowlines, vessels, or tanks which have been used for the storage or transportation of liquid or gaseous petroleum hydrocarbons.

Treatment: None

Monitoring Frequency: Once per discharge event by grab sample

Limits Justification: Limitations and frequency is based on the LPDES General Permit for Hydrostatic Test Wastewater, LAG670000.

NOTE

For outfalls containing concentration limits, the usage of concentration limits is based on BPJ for similar outfalls, since the flow is variable and estimated.

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s.u. Standard Units

STORM WATER POLLUTION PREVENTION PLAN (SWP3) REQUIREMENT

In accordance with LAC 33:IX.2707.I.3 and LAC 33:IX.2707.I.4 [40 CFR 122.44(I)(3) and (4)], a Part II condition is proposed for applicability to all storm water discharges from the facility, either through permitted outfalls or through outfalls which are not listed in the permit or as sheet flow. **For first time permit issuance**, the Part II condition requires a Storm Water Pollution Prevention Plan (SWP3) within six (6) months of the effective date of the final permit. **For renewal permit issuance**, the Part II condition requires that the Storm Water Pollution Prevention Plan (SWP3) be reviewed and updated, if necessary, within six (6) months of the effective date of the final permit. If the permittee maintains other plans that contain duplicative information, those plans could be incorporated by reference to the SWP3. Examples of these type plans include, but are not limited to: Spill Prevention Control and Countermeasures Plan (SPCC), Best Management Plan (BMP), Response Plans, etc. The conditions will be found in the draft permit. Including Best Management Practice (BMP) controls in the form of a SWP3 is consistent with other LPDES and EPA permits regulating similar discharges of stormwater associated with industrial activity, as defined in LAC 33:IX.2511.B.14 [40 CFR 122.26(b)(14)].